

STATE OF CALIFORNIA



MEMO

To: FISCAL COMMITTEE
ANTHONY BATARSE, CHAIR
KATHRYN E. DOI, MEMBER

Date: May 6, 2019

From: TIMOTHY CORCORAN
DAWN KINDEL
HOLLY VICTOR

Subject: STATUS REPORT CONCERNING THE BOARD'S COLLECTION OF
THE ARBITRATION CERTIFICATION PROGRAMS' ANNUAL FEE

Pursuant to Business and Professions code section 472.5, the New Motor Vehicle Board ("Board") is tasked with collecting fees to fund the Department of Consumer Affairs, Arbitration Certification Program ("ACP"). The ACP notifies the Board of the amount necessary to fund its program during the current fiscal year and Board staff administer the collection by invoicing manufacturers and distributors based on the number of vehicles they distributed in California. Since the Board already has vehicle distribution numbers in a database for its own fee collection, very little staff time is devoted to this task. Regardless, the ACP reimburses the Board for its administrative costs associated with the collection.

Funds collected are deposited directly into the ACP's operating account with no involvement by Board staff on the allocation or expenditure of funds.

For fiscal year 2018/19, the ACP requested \$1,348,000 to fund its program. A fee of \$.0653 per vehicle was charged to 41 manufacturers and/or distributors under ACP authority and the collection was completed on May 6, 2019.

This memorandum is being provided for informational purposes only, and no Board action is required.